

**MINUTES OF THE
EXECUTIVE OFFICES & CRIMINAL JUSTICE
JOINT APPROPRIATIONS SUBCOMMITTEE
ROOM 405 STATE CAPITOL BUILDING
January 29, 2003**

Members Present: Sen. D. Chris Buttars , Co-Chair
Rep. David L. Hogue, Co-Chair
Sen. Patrice Arent
Rep. Jim Dunnigan
Rep. Eric K. Hutchings
Rep. Brad Last
Rep. Dana C. Love
Rep. Scott Daniels
Rep. Brad King

Members Excused: Sen. Michael Waddoups
Rep. Ron Bigelow

Staff Present: William Greer, Fiscal Analyst
Gary Ricks, Fiscal Analyst
Greta Rodebush, Committee Secretary

Visitors List: List filed with Committee Minutes

Co-Chair Hogue called the meeting to order at 2:06 p.m. He welcomed the subcommittee and recognized Lt. Governor Olene R. Walker who was in attendance.

MOTION: Rep. Hutchings moved to approve the minutes for January 27, 2003. The motion passed unanimously with Rep. Dunnigan, Rep. Love, and Rep. Daniels absent for the vote.

Co-Chair Hogue introduced Fiscal Analyst, Gary Ricks, who presented FY 2004 Budget Recommendations for Executive Offices i.e. the Governor's Office which includes the Governor's Office of Planning and Budget and the Commission on Criminal and Juvenile Justice, State Treasurer, Attorney General, and State Auditor.

Governor's Office

Analyst Ricks recommended a total budget for the **Governor's Office** of \$2,250,800. The programs within this budget are as follows:

Programs

Administration	\$1,702,500
Governor's Residence	256,700
Washington Office	212,800
Task Forces	17,000
Constitutional Defense Council	40,800
Commission for Women & Families	<u>21,000</u>
	\$2,250,000

Also addressed in this discussion were the following budget recommendations:

Elections Office	\$461,900
Emergency Fund	\$102,000
RS 2477 Right-of-Way	\$2,000,000

In determining the FY 2004 Budget, the Analyst addressed these issues:

2.1 The Analyst budget recommendation included the following items:

- Adjustment for FY 2003 one-time programs;
- Adjustment for December 18, 2002 Special Session reduction;
- Adjustment for Retirement Rate reduction;
- Adjustment for mandated IT Savings reduction from the 2000 General Session

2.2 The following non-lapsing language was recommended:

It is the intent of the Legislature that funding for the Governor's budget be nonlapsing.

It is the intent of the Legislature that funding for the Elections Program be non lapsing.

It is the intent of the Legislature that the funding for the Commission on Women and Families be nonlapsing.

It is the intent of the Legislature that funding for the Emergency Fund be nonlapsing.

It is the intent of the Legislature that funding for the RS 2477 program be nonlapsing.

It is the intent of the Legislature that funds expended from the RS 2477 Fund be used for litigation designed to quiet title to existing rights of way established before 1976 under RS 2477 guidelines. It is further the intent of the Legislature that the Governor or his designee shall present a report to the Legislature each General Session detailing activities funded within this line item.

2.3 Utah Code currently mandates that the state participate in the Western States Presidential Primary held quadrennially, with the next mandate falling in FY 2004. It is estimated that the Western States Presidential Primary for FY 2004 will require \$600,000 in one-time funds. The Analyst pointed out that this funding is not built into the base budget.

Office of Planning and Budget

The Analyst recommended a total budget for the **Office of Planning and Budget** of \$3,077,600. The programs within that budget are as follows:

Programs

Administration	\$658,500
Planning and Budget Analysis	809,800
Demographic & Economic Analysis	663,900
Information Technology	437,500
State & Local Planning	<u>507,900</u>
	\$3,077,600

The following issues were addressed:

2.1 Same as previously listed

2.2 The following intent language was recommended:

It is the intent of the Legislature that funding for the Office of Planning and Budget be nonlapsing.

2.3 Creation of Separate Line-item for Chief Information Officer

Analyst Ricks introduced Jonathan Ball, Technology Analyst for the Office of the Legislative Fiscal Analyst who recommended the creation of a separate line-item for the Chief Information Officer. The CIO would still be housed within the Governor's Office of Planning and Budget. He also recommended eliminating subsidization of the CIO by Executive Branch agencies.

Analyst Ball recommended \$533,400 for the Chief Information Officer with a transfer of \$381,400 from the Governor's Office of Planning and Budget main line-item, as well as an increase of \$152,000 in one-time General Fund revenue.

The Analyst recommended the following intent language:

It is the intent of the Legislature that, should a comprehensive review of Division of Information Technology Services costs, products, and rates result in ongoing savings to the General Fund of at least \$452,000 beginning in FY 2005 or prior, the Office of the Legislative Fiscal Analyst shall recommend to the Legislature an ongoing General Fund appropriation increase of \$152,000 beginning in FY 2005 for the Chief Information Officer.

Utah Commission of Criminal and Juvenile Justice

Analyst Ricks recommended a total budget for the **Commission on Criminal and Juvenile** of \$18,077,100. He noted that \$15,684,300 comes from federal funds. Approximately \$11.4 million passes through to local jurisdictions. The programs within the CCJJ budget are as follows:

Programs

CCJJ Commission	\$12,441,100
Crime Victim Reparations	4,799,800
Extraditions	249,600
Substance Abuse & Anti-violence	195,800
Sentencing Commission	180,800
Crime Prevention Grant	<u>210,000</u>
	\$18,077,100

The following issues were addressed:

- 2.1 Same as previously listed.
- 2.2 The following non-lapsing intent language was recommended:

It is the intent of the Legislature that funding for the Commission of Criminal and Juvenile Justice be nonlapsing.

Lynne Ward, Director of the Governor's Office of Planning and Budget, was introduced. Ms. Ward gave a brief introduction mentioning the in-depth study that had been conducted on the GOPB by the subcommittee this summer. She also noted the packet of handouts provided to the subcommittee which includes the Governor's Office Budget Cut Recommendation for reallocation of funds, an Economic Report, a Report from the State and Local Planning Program, and a Report from the Quality Growth Commission. Ms. Ward introduced Lt. Governor Olene R. Walker.

Olene R. Walker, Lt. Governor, discussed the Western States Presidential Primary and the need to conduct this election in FY 2004. She spoke to the National Voter Reform Bill which was passed in October 2003. The implications for Utah will be a significant flow of restricted funds into this state for election purposes. This bill is designed to promote uniformity of election laws, shift the responsibility of elections from the counties to the state, and eliminate all punch card machines and convert to DRE's (computerized voting machines) in every precinct. Utah can expect about \$1.5 million this year to begin implementing these changes.

Lynne Ward stated that the Governor's Office was requesting that a reallocation of budget cuts be incorporated, upon approval of the Legislature, into the Appropriations Supplemental Bill. This would require subcommittee action. The Governor's Office has recommended only health and dental benefit increases for state employees this year. Also, an allocation was requested for the one extra fiscal day in FY 2004.

Gary Doxey, Governor's General Counsel, discussed suggested modifications to the intent language. The intent language would read as follows:

It is the intent of the Legislature that funds expended from the R.S. 2477 Fund be used for litigation and other means designed to quiet title to existing rights of way established before 1976 under RS 2477 guidelines. It is further the intent of the Legislature that up to \$150,000 of this amount may be used to pay for legal services regarding other public lands issues involving the state. It is further the intent of the Legislature that the Governor or his designee shall present a report to the Legislature each General Session detailing activities funded within this line item.

Ms. Ward introduced Lane Beattie, State Olympic Officer. Mr. Beattie highlighted some of the upcoming events for Winterfest, the one-year celebration of the Olympics. He provided the subcommittee with a handout that listed the economic and financial impact of the Games on Utah's economy. After all state expenses and allocations were made, Mr. Beattie said that well over \$100 million has come into the State. Even though the State Olympic Office is budgeted through to the end of June 2004, there will be lingering responsibilities that will require some attention.

Lynne Ward introduced the new Chief Information Officer, Val Overson. He answered questions from the subcommittee.

MOTION: Sen. Arent moved to saunter for five minutes. The motion passed unanimously.

Ed McConkie, Executive Director of the Commission on Criminal and Juvenile Justice, addressed the subcommittee. He was assisted by David Walsh, Director of Planning and Budget. An Annual Report 2002 was handed out. Mr. McConkie explained the role CCJJ plays within the three branches of state government. CCJJ expects to further extend its planning and coordinating efforts to local law enforcement agencies, county commissions, and city managers. He answered questions regarding CCJJ's contract with the University of Utah in developing a cost benefit analysis tool. Mr. Walsh answered questions about the Victim Reparations Fund.

Attorney General

Mark Shurtliff, Attorney General, explained the very broad role the Attorney General's Office plays in defending and serving Utah state government. With a \$32 million budget, the Attorney General is able to bring approximately \$200 to \$250 million in settlement money into the state each year. Mr. Shurtliff noted that if the planned cuts for FY 2004 go through, the Attorney General will have let go 22 employee positions which represents 5% of the Attorney General's Office. About 12 employees have lost their jobs. Other positions will be absorbed through attrition or simply left vacant.

Mr. Shurtliff stated that the Attorney General's Office is willing to do its part in meeting recent and projected budget cuts. Recently a settlement of \$350,000 was acquired from two consumer protection cases that will go into the General Fund. The Attorney General is requesting that the subcommittee recommend that those funds be used to offset the cuts in the Attorney General's office. The Governor's Office has suggested some intent language. These funds could be used to mitigate positions that have been left vacant, namely, a criminal prosecutor, child abuse investigator, medicaid fraud auditor, and a natural resource attorney. Mr. Shurtliff mentioned the effect that increased case loads and lower salaries is having on staff.

Scott Mecham, Law Office Administrator and Budget Director answered questions from the subcommittee. Mr. Mecham requested that the subcommittee reallocate the \$143,600 listed under the Pornography Complaints Ombudsman line item to the Children's Justice Program.

The Analyst, Gary Ricks, recommended a total budget for the **Attorney General** of \$32,025,800. The programs within that budget are as follows:

Programs

Attorney General	\$28,802,800
Contract Attorneys	300,000
Children's Justice Centers	2,170,200
Prosecution Council	530,700
Domestic Violence	78,500
Obscenity & Pornography Ombudsman	<u>143,600</u>
	\$32,025,800

The following issues were addressed:

- 2.1 Same as previously listed.
- 2.2 The Attorney General released the Obscenity and Pornography Complaints Ombudsman from employment effective May 1, 2003. This program is a separate line item, and has \$143,600 in General Funds budgeted for FY 2004.
- 2.3 Transfer of Department of Insurance Attorney to the Attorney General's Office. Both departments are requesting an FY 2004 General Fund budget transfer of \$77,300 (the cost of attorney's salary and benefits) from the Department of Insurance to the Attorney General's Office. Also needed is an FY 2003 supplemental appropriation of \$38,600 to the Attorney General and an offsetting negative appropriation of \$38,600 to the Insurance Department
- 2.4 The following non-lapsing intent language was recommended:

It is the intent of the Legislature that funding for Contract Attorney be appropriated as a separate line item.

It is the intent of the Legislature that funding for Anti-Trust Prosecution be appropriated as a program within the Attorney General's Office main line item.

It is the intent of the Legislature that funding for Child Protection be as appropriated as a program within the Attorney General's Office main line item.

It is the intent of the Legislature that funding for the Attorney General's Office be nonlapsing.

It is the intent of the Legislature that funding for Children's Justice Centers be nonlapsing.

It is the intent of the Legislature that funding for Contract Attorneys be nonlapsing.

It is the intent of the Legislature that funding for the Prosecution Council be nonlapsing.

It is the intent of the Legislature that funding for prevention of Domestic Violence be nonlapsing.

State Treasurer

The Analyst recommended a total budget for the **State Treasurer** of \$2,154,900. The programs within that budget are as follows:

Programs

Treasury and Investment	\$847,900
Unclaimed Property	1,162,800
Money Management Council	77,900
Financial Assistance	<u>66,300</u>
	\$2,154,900

2.1 As previously stated

2.2 The following non-lapsing intent language was recommended:

It is the intent of the Legislature that funding for the State Treasurer be nonlapsing.

Ed Alter, State Treasurer, addressed issues relevant to his Office. He was assisted by Richard Ellis, Deputy State Treasurer. Mr. Alter gave an overview of the numerous fiscal duties performed in processing and disbursing money as it relates to state agencies. He addressed subcommittee questions about Unclaimed Properties. Mr. Alter stated that the Treasurer's Office has been successful in returning money to rightful owners. Remaining unclaimed monies go into the Uniform School Fund. Over the last five years, \$38 million has been deposited into the Uniform School Fund. Mr. Alter expressed his appreciation to the subcommittee for its continued support. The Treasurer's Office is responsible for all State funds and will continue to conduct business as usual.

It was decided that the State Auditor's budget would be presented on Friday, January 31, 2003.

MOTION: Rep. Hutchings moved to accept the intent language modifications requested by the Governor's Office. The motion passed unanimously with Rep. Dunnigan and Rep. King absent for the vote.

"It is the intent of the Legislature that funds expended from the RS 2477 Fund be used for litigation and other means designed to quiet title to existing rights of way established before 1976 under RS 2477 guidelines. It is further the intent of the Legislature that up to \$150,000 of this amount may be used to pay for legal services regarding other public lands issues involving the state. It is further the intent of the Legislature that the Governor or his designee shall present a report to the Legislature each General Session detailing activities funded within this line item."

MOTION: Rep. Love moved to adjourn. The motion passed unanimously with Rep. Dunnigan and Rep. King absent for the vote.

Co -Chair Hogue adjourned the meeting at 5:03 p.m.

Senator D. Chris Buttars, Co- Chair

Representative David L. Hogue, Co-Chair